

AN ACCOUNT
OF THE
Constitution and Security
OF THE
General Bank
OF
CREDIT



*London, Printed by John Gain, Living in the Upper Moor-Fields,
next door to the Flying-Horse. M. DC. LXXXIII.*

AN ACCOUNT
OF THE
CONSTITUTION AND SECURITY
OF THE
General Bank
OF THE
UNITED STATES



Printed by W. G. Loring in the Treasury Building
in 1862

*An Account of the Constitution and
Security of the BANK of
CREDIT, &c.*



HEREAS it hath been observed,
That great quantities of Coin & Bul-
lion have been Exported out of this
Kingdom, or Horded up in Private
hands, to the great diminution of the
Current Cash and Trade, and that
through the scarcity of Money, and
want of Current Credit on a suffici-
ent Fund, many are deprived of a Livelyhood, not know-
ing how to imploy themselves in Callings fuitable to their
Educations.

That many Antient and Noble Families have been ruin-
ed by being necessitated to take up Money on their Estates
for discharging Incumbrances, at very high rates of Inter-
est, Procuration, Continuance-Money, and the like.

That Trade and Commerce is very much Obstructed by
the high and uncertain Rates of Exchange ; so that the re-
mitting Money, to buy Commodities at particular seasons,
at the severall Markets in *England* and *Ireland*, is so charge-
able, that it discourageth many Merchants from Trade-
ing.

That multitudes of Families have of late been undone
by intrusting their Cash, and other Estates, in the hands
of Private Persons, who have frequently turned *Bankrupts*

and involved divers in their Ruine, They not having a Fund to answer the Trust reposed in them.

And forasmuch as 'tis evident, not only from the Example of Forreign Countries, but also from the Reason of the thing it self; That the erecting a *Bank of Credit*, and *Exchange of Moneys*, and also a *Lumbard* for accommodating the Poor, By persons of known Reputation and Ability, under apt Rules and Methods, will be attended with many conveniencies and Advantages, not only to Merchants and Traders, and all sorts of Persons in their Commerce and Dealings, but also to his Majesty in the great increase of his Revenue, by furnishing Persons who have Security to deposit, with Current *Bills of Credit*, as useful as ready Money, and such as cannot fail to answer all reasonable expectations, and satisfy all *Objections* that can arise in the minds of men against the same.

And whereas divers persons of Reputation, and Estate by mutual Agreement and with good Advice, are, in Order to the Erecting and Establishing such *Bank of Credit*, and *Exchange of Money*, and also a *Lumbard*, for accommodating the poor as aforesaid, become United unto, and Incorporated with the Company of the *Royal Fishery of England*, under the Regulation of his Majesties Letters Patents, for constituting the said Company a Body Politick, and Corporate, to have perpetual Succession, In such way and manner, and under such Articles of Agreement, Rules, Laws and Constitutions, as that the said *Bank*, shall not be liable to any hazard, loss or miscarriage of the said *Company*, in, or by reason of their Fishery Trade and Dealings; Yet nevertheless are rendred capable of receiving and exercising all Powers, Priviledges and Advantages, on behalf of the the said *Bank*, which the said *Company*, by the said Letters Patents are invested with, in order to the carrying on the Fishing Trade, and pursuant thereunto, are by the said

Company under their common Seal, constituted to be, and to be called by the Name of the Governours or Masters of the *Bank of Credit*, in the *Company* of the *Royal Fishery* of England;

The Governours of the said *Bank* conceiving they are now arrived at such a Method and Form of Management thereof, both as to Bills of Sale, Certificates by way of Defeazances thereupon, and Bills of *Credit* to be given out to their respective Depositors of any Goods, or other Security, as they have no reason to doubt, but that the same being published, and duly weighed, will be instead of particular *Answers* to all such *Objections* as have heretofore been made; or as they judge, can be reasonably offered against the same; They have now resolved speedily to make their Entrance on the Execution thereof, and think fit to make these their Intentions publick to the end that all Persons who conceive they may be assisted and furthered in their Trading or other Dealing, by the help of this *Bank*, may be more particularly informed of the way and manner thereof, and see their Security in so doing.

In order whereunto, and for the obviating those Difficulties that may remain in some Men's Minds, touching the true Notion, Practicableness, and Advantage of this *Bank of Credit*: 'tis not proposed, that it should answer every Intent, and Purpose that some Persons may have fancied, particularly, That it should supply any man with *Credit*, who hath not a sufficient Security of Goods or Lands to deposit or ingage as a *Fund* for the Credit he would Raise.

It is sufficient to demonstrate, that it will supply a multitude with Credit, upon which they may enlarge their Trade, discharge their Morgages, and other Securities that bear heavy upon them, may be supplied on any sudden Emer-

Emergency with Credit to support such as otherwise must sink, and satisfy the pressing and impatient *Creditors* of such as cannot be supplied elsewhere, but upon such disadvantageous Terms as will ruin them. All which will plainly appear by the Answers to the following Questions.

Question I.

What is the Bank of Credit ?

Answer.

It is a Fund of Goods, and Assurances of Lands, Tenements and Hereditaments deposited for the raising of Credit thereupon, under the greatest Security, as to the Constitution, and Persons employed in the Management of it, that can be devised ; upon which Fund the Depositor is furnished with *Bank-Bills* of Credit (hereafter explained) for supply of his Occasions, which will be as useful as Money to him.

Question II.

How will the Bank of Credit be useful this way ?

Answer.

Every Person who hath any Goods, which he hath no ready Chapman for, or would keep for a better Market, may, upon depositing the same in the *Storehouses* belonging

ing to the *Bank*, raise a Credit equivalent to Ready-money, for the answering his Occasions, to about *two thirds* or *three fourths* of the value of them, for what time he shall propose, the *Trustees* hereafter mentioned agree, and the nature of the Deposit shall reasonably admit, not exceeding twelve months, paying for the use of so much Credit as he shall take thereupon after the rate of four pounds *per Cent. per Annum* in *England*, and six pounds *per Cent. per Annum* in *Ireland*: and for *Warehouse-room*, &c. not exceeding two *per Cent. per Annum*, for Goods, Wares, and Merchandizes, according to the appraised value of them, unless where they are very bulky, and in such Cases, such other moderate proportions as shall be to the reasonable satisfaction of the Parties concerned. In like manner, every Person who hath an Interest in any Lands, Tenements, or Hereditaments, Leases, or Annuities for years; or who will deposit any Bullion, Plate, or Jewels, may also raise such Credit thereupon, at four pounds *per Cent. per Annum* in *England*, and six pound *per Cent. per Annum* in *Ireland*, without any other Charge.

The Goods deposited may, upon a new Contract, be continued for such longer time as the said *Trustees*, and *Appraisers* shall judge the nature of them will admit: the Depositor desiring the same, and clearing of the *Interest*, and *Charges* to that time.

Such Persons may on this Credit purchase other Goods or Lands, where he hath a prospect of another good bargain, and in like manner deposit or ingage them, and receive like proportion of other Credit, wherewith to carry on his present Trade, or answer his other Occasions, and consequently enlarge his Trade and Estate for more than three times his Principal, as effectually as with so much ready Cash.

And

And for the Accommodation and Incouragement of all that shall deal with this *Bank*, and the promoting and furthering the Sale of the Goods therein deposited, there will from time to time be Lists printed, of all such Goods as the Depositors thereof shall desire to be published, and sold there, without mentioning the Names of the Owners or Depositors; and also known and sworn Broakers, attending for the Sale thereof.

Question III.

Who will furnish me with such Goods on such Credit ?

Answer.

At the *Bank* may be seen Alphabetical Lists of the Names and Habitations of Persons of all sorts of Trades, who will accept of the *Bank-Bills* of *Credit* upon equal terms with Money, in the usual way of Trade and common Dealing; so that if some should refuse their Customers on the said terms, these and others, understanding the advantage of ready Paiments, beyond what can be made by selling for time upon uncertain trust, will embrace and incourage them by better usage than they have formerly had.

Question IV.

How must I make over my Goods in Order to to the raising this Credit ?

Answer.

Answer.

You must perfect a Bill of Sale of the said Goods under your Hand and Seal, which will be taken by the said *Trustees*, Persons of known Integrity and Ability, who will be dayly attending at their respective *Bank-houses*, or *Offices*, in order to the receiving of them into the Stores of the *Bank*, and who will take care that the *Appraisers* set such value on them as shall be indifferent between the *Bank* and the *Depositor*; as also that the *Store-keepers* so place them, as you may, every working-day have a view of them, and shew them to your Chapmen, in order to their Sale, with as much freedom as if they were in your own *Ware-Houses*, and probably may sooner find a Chapman by the help of the *Bank-Officers* and *Broakers* aforesaid, and concourse of People to the *Bank-houses*.

Question V.

What shall I have to shew for my Goods, and for my Security, that they shall be Re-delivered to me at the time appointed, upon discharge of the Credit taken upon them?

Answer.

You shall have a Certificate under the Seal of the *Company* delivered you, by the said *Trustees* of the *Bank-houses*, where your Goods are deposited, which shall be in the nature of a *Discharge* of your *Bill of Sale* made thereof, wherein it is testified by the said *Trustees*, and *Store-keepers*, that they have received your Goods, or other

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Security of the value mentioned in your *Bill of Sale*, into the *Bank* ; and wherein the said *Company* agreeth, that upon the payment of the value of the *Credit* you take upon them, with such *Interest* for the said value, and moderate allowance for *Warehouse-Room*, &c. the said Goods shall be Re-delivered to you, your *Executors*, *Administrators* or *Assigns* ; and that in case you shall not redeem them by the day appointed, they shall as soon as conveniently may, be sold openly by *Inch of Candle*, or otherwise for the best Market Price that can be then gotten for them, and the *Overplus* paid to you, your *Executors*, *Administrators* or *Assigns* ; unless you shall contract with them for continuing your *Fund*, or any part of it for further time. You have also *Bank-bills* of *Credit* given you upon the Goods delivered.

Question VI.

What is it you call Bank-Bills of Credit ?

Answer.

Printed Bills indented, so contrived, and under so many Examens, Attestations, and private Characters, as also the indented Counterparts of them, and whatsoever relates to them in such Custodies, untill their issuing forth, as it is morally impossible they should be counterfeited, so as any receiver of them should be deceived, who will but satisfy himself from what hand they are tendred unto him ; which said Bills are perfected under the Seal of the *Company*, and bind the said *Bank* and *Company* for the value received, and remaining in the said *Bank*, to accept the same in any Payment in, or to the said *Bank* for the Summe in such *Bills* mentioned ; and are attested to be so perfected, by the *Treasurers*, or one of them, as also by the *Comptroller*

ler and *Indenter* of the said *Bills* ; besides which the said *Trustees*, or two of them, and the *Store-keeper* belonging to the respective *Bank-houses*, out of which the said *Bills* shall be first issued, do also testify that the value of the said *Bills* is in the *Bank* ; all which *Officers* are upon their Oaths, & give good Security for the honest discharge of their respective Employments: so that no Person can hope to make tender of a false or counterfeit *Bill*, or one unduely come to his hands, without being detected : in which respect these *Bills* are better than the *Species* of *Gold* and *Silver* ; for that if you receive counterfeit *Gold* or *Silver*, it hath no certain mark, by which the Payer of it can be ordinarily detected ; besides, they carry with them the Advantage of saving Charges in carrying, and time in telling and retelling Money in Payments, and of easier and safer travelling with them ; nor can any of these *Bills* be fraudulently issued out of the *Office* it self, for they are all Printed in the *Bank-house*, on Paper made on purpose, different in size, shape, and make, from all other sorts of paper, and as well after Printed, as before, remains uncut, and always in safe Custody, under three Locks and Keys kept by the *Treasurers*, *Seal-keeper*, and *Composer* of the said *Bills*.

Question VII.

I have occasion for Money in Specie, How shall I be supplied ?

Answer.

Though the *Bank* doth only undertake to accept their *Bills* in Payments to be made unto the *Bank* (which they will do more willingly than Money in *Specie*) tak-

ing after the rate of one *per Cent. per Annum* less, on return of their *Bills*, than on payment of Money ; yet if any should be desirous to change his *Bills* into Money, he may be directed at the *Office* how to be supplied.

Question VIII.

We have had experience of trusting our Estates in Bankers hands, how shall we be secured against the like from this Bank ?

Answer.

You trusted them with Money upon their own or Servants Notes, apprehending them to be Men of Estates to answer the *Credit* you gave them ; and they traded with your Money beyond the Seas, and otherwise on their own Accounts, by means whereof they miscarried.

Now such is the Constitution of this *Bank*, that none can wrong it, or the *Depositors* ; for the *Officers* that give out these *Bills* are all on their *Oaths*, and give great Security to deliver out no *Bills of Credit*, but upon such *Fund* of *Goods*, or real *Estates*, to the value aforesaid, as always remains untouched, till *Bank-bills of Credit*, or other *Fund* be brought in the room of it ; all which remaining lockt up in *Treasuries* and *Store-houses* ; the *Keys* whereof are in the Hands and Custody of the chief Governours, their *Treasurers* & *Trustees*, *Store-keepers* and others. It cannot but be acknowledg'd by every one, that they are in safer Custody than in his own House, where his Servants, or (which is also very ordinary) his *Wine-Cooper*, *Porter*, or other mean Person, hath, or can come at the *Keys* of his
Warehouses,

Warehouses, or Cellars; especially if it be considered, that they are constantly watched, both Night and Day, by Persons appointed for that purpose, to prevent Imbezelmments, Diminutions, or Casualties that may happen.

The *Interest* of the Persons chiefly intrusted in this *Bank*, consists in preserving their *Credit*, which upon their first attempt of any fraudulent Practices, or giving out of any *Bills* but upon such *Fund*, as is aforementioned, will irreparably be lost.

Advertisement.

Whereas the poorest sort of People do generally complain of great Oppression by intollerable exactions for *Credit* given them upon their Goods, whereby they are so exhausted and disabled, that they cannot by reason thereof, though never so industrious, gain a comfortable Livelihood for themselves and Families. For whose relief no effectual Remedy hath been hitherto proposed. The Governours of the said *Bank of Credit* having taken the same into consideration, and commiserating the necessitous Condition of such poor People, are resolved speedily to make provision for their supply with *Bank-Credit*, and that the *Interest* and *Charges* thereof shall not exceed six pounds per *Cent. per Annum*. The Places where, and Time when such Persons may be so accommodated, will shortly be Published. As also the Rules and Methods they intend to establish about the Exchange of Money.

And

And that all men who are desirous to increase their Trades, by the *Credit* of this *Bank*, or stand in need thereof, may know where they may be supplied with such *Credit* upon the Depositing of any Goods, Wares, or Merchandizes, the Governours of the said *Bank* do hereby signifie that their *Trustees*, *Appraisers*, *Store-keepers*, and other Officers, shall dayly attend from, the time, and at the Places, of which publick notice shall be speedily given.

FINIS.

